

# Greenfield Projects and Cross-cultural Management

- Examples from a Norwegian based “glocal” company

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# The China Experience

## ■ KUNNE Creole:

- Investigating the dynamics of international knowledge work
- Focus on cultural aspects of being successful internationally
- Integration and adaption of company standards to local settings

## ■ Hydro:

- Collect and disseminate experiences from China ventures within Hydro
- Identify pitfalls and how they can be avoided
- Identify and describe good learning lessons and practices
- Develop tools and methods for better maneuvering in the future in the China context

# “The China Magnesium Challenge”

- 1990: 2% of world market of primary magnesium
- 2006: 72% (world market 2.8x larger)
- “Chinese formula”: low-tech, labor-intensive, heavily polluting production process - “Pidgeon-process”
- 1993 --> 1998: Several Hydro delegations visiting China. Reluctant to make investments.

=> enter China or exit business!





# Greenfield plant









# Emergent Dilemmas

## Technology transfer: Low tech and market driven cutting edge

- not implementation of state-of-the-art technology to prevent replication and diffusion...
- but customers demand lead to introduction of new technology not implemented in any other Hydro casthouse until then

## The epistemology of secrecy: Collective learning vs strategic secrecy

- a few as possible should have the knowledge about the whole production process...
- but due to safety reasons and continuous improvements of the production all employees have full access to all procedures

# “Reverse culture crash”

- Chinese employees expected a Scandinavian work life approach:
  - Democratic, participatory ways of leading
  - Openness, co-operation, close relationships
- Hydro chose an “when in Rome do as the Romans”- approach of local adaptation – command & control

=> Four General Managers in two years, low performance, high turnover rate.



- Focus on early phases and start-up phase
- Creation of collaborative atmosphere
- People, communication, interaction first
- Enabling repertoires for improvisation, not complete plans
- Focus on trust, meaning, belonging and knowledge